



Republika e Kosovës
Republika Kosova-Republic of Kosovo
Qeveria -Vlada-Government

Ministria e Bujqësisë, Pylltarisë dhe Zhvillimit Rural
Ministarstvo Poljoprivrede, Šumarstva i Ruralnog Razvoja
Ministry of Agriculture, Forestry and Rural Development

A vertical photograph of several golden wheat stalks with full heads, set against a light yellow background. The stalks are positioned on the left side of the page, partially overlapping the title text.

THE ANNUAL MONITORING REPORT OF THE SARD 2022-28 Report of the monitoring for 2022

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1. EXECUTIVE SUMMARY

Considering the importance and weight of the agriculture and rural development sector in the gross domestic product (GDP), as well as the high potential of this sector to develop further and generate income and jobs, we can say that this sector undoubtedly occupies an important place in the overall economic development of the country. The Strategy for Agriculture and Rural Development should contribute to a better use of resources in agriculture and at the same time achieving a higher level of competitiveness of agro-food production. The accession process of the Republic of Kosovo to the EU requires the harmonization of the regulations and standards of agriculture and rural development with the regulations and standards of the Common Agricultural Policy (CAP) of the European Union, this is a strong reason that the Strategy through selected actions of contribute in this direction.

The Strategy for Agriculture and Rural Development for the period 2022-2028 reflects the need for the development of the agricultural sector and rural areas, to compete in the European Union and regional markets. Identifies measures to increase the efficiency of agricultural production, processing and marketing, building appropriate, effective public and private institutions, to improve farm incomes, to ensure that consumers have access to safe and healthy food, to optimize the use of land, forest and water resources, in a sustainable and environmentally friendly manner, and to build sustainable rural communities through sustainable rural development. According to the summarized analysis, strategic and specific objectives have been identified, which are:

OS 1: Rritja e konkurrencës së sektorit agro-ushqimor dhe përmirësimi i efikasitetit dhe qëndrueshmërisë së prodhimit të fermës

O. specifik 1.1: Mbështetje të ardhura të qëndrueshme të fermës dhe elasticiteti për të rritur sigurinë ushqimore
O. specifik 1.2: Rritja e konkurrencës dhe përmirësimi i orientimit ndaj kërkesave të tregut duke u fokusuar në kërkime, inovacion, teknologji dhe dixhitalizim
O. specifik 1.3: Përmirësimi i pozitës së fermerëve në zinxhirin e vlerës

OS 2: Menaxhimi i qëndrueshëm i resurseve natyrore (tokat, pyjet dhe uji)

O. specifik 2.1: Mbështetje në zbutjen dhe në përshtatjen me ndryshimet klimatike, si përdorimin e energjisë së ripërtrishme
O. specifik 2.2 Mbështetje në nxitjen e menaxhimit të qëndrueshëm dhe efikas të tokës, uji dhe
O. specifik 2.3 Mbështetje në mbrojtjen e bio-diversitetit, shërbimet e zgjeruara të ekosistemit dhe ruajtja e habitateve dhe peizazheve

OS 3: Zhvillimi i bizneseve në zonat rurale, rritja e punësimit dhe përmirësimin i infrastrukturës sociale

O. specifik 3.1: Promovimi i punësimit, rritjes, përfshirjes sociale dhe zhvillimit lokal në zonat rurale, përfshirë bio-ekonominë dhe zhvillimi i qëndrueshme i pylltarisë
O. specifik 3.2: Përmirësimi i kërkesave shoqërore për ushqimin dhe shëndetin, përfshirë ushqimin e sigurt, ushqyes dhe të qëndrueshëm, zoogëlimin e mbeturinave të ushqimit, si dhe mirëqenien e kafshëve
O. specifik 3.4: Promovimi i barazisë gjinore, duke përfshirë pjesëmarrjen e grave në bujqësi dhe përfshirjen sociale të komuniteteve dhe grupeve të cënueshme

OS 4: Reforma gjithëpërfshirëse institucionale dhe sektoriale për të krijuar shërbime publike efikase

O. Specifik 4.1 Riorganizimi dhe funksionalizimi i plotë i AZHB-së si Agjenci IPARD
O. Specifik 4.2 Arritja e besueshmërisë për menaxhim dhe zbatim të buxhetit për masat e programi IPARD III
O. Specifik horizontal 4.3: Dixhitalizimi i sektorit dhe transferimi i njohurive

The implementation of the ARDS 2022-28 is made by two types of policy measures: Pillar I (direct payments/subsidies), Pillar II (grants - rural development), similar to the Common Agricultural Policies (CAP) of the EU, and from capital or infrastructural projects and institutional reforms that aim to further functionalize the Ministry towards a more efficient public administration.

The actions identified to achieve the fulfillment of strategic and specific objectives address issues of food security and safety, improving nutrition and promoting sustainable agriculture, conservation of natural resources, comprehensive gender equality, full and productive employment, as well as promoting well-being and socio-economic issues of rural areas.

The total area and utilization of agricultural land

Agricultural land is the basis of agricultural production, which provides most of the food supply and provides a critical number of ecosystem services (for food safety). Agriculture is therefore vital to food safety and supports the Sustainable Development Goals (SDGs). The area of agricultural land in Kosovo, as a resource to produce food, to meet the requirements of self-sufficiency, is quite limited.

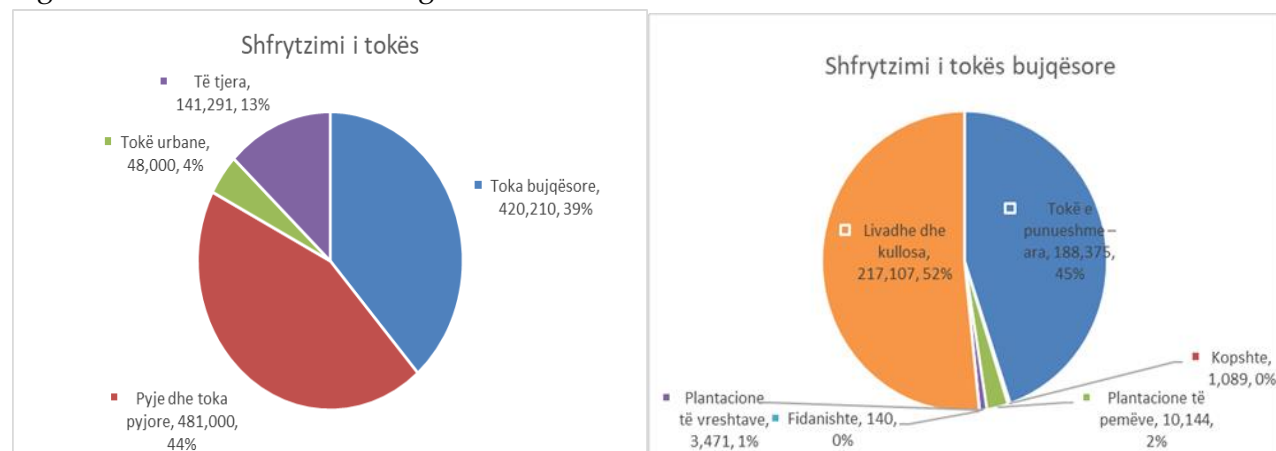
The total area of land in Kosovo is divided into the following categories: agricultural land, which accounts for 38.53%, forests and forest land 44.11%, urban land 4.40% and other 12.96%.

According to the agricultural survey data, the utilized area of agricultural land has not had major changes and has been an approximate trend of utilization for this period of time.

The use of agricultural land in 2020, according to categories, has the following distribution: Meadows and pastures (including common land), with a participation of 52%, arable land - fields

including vegetables (in the open field 8,491 ha and greenhouses as the first crop 562) 45%, gardens and nurseries 2%, Tree plantations 2%, and vineyard plantations 1%.

Fig. 1 General area and use of agricultural land



Source: Green report

The Action Plan of the ARDS has been approved by the Government according to the previously approved budget, i.e. MTEF 2022- 24. The government has not allocated a budget for addressing all the identified needs for achieving the objectives.

However, due to the global food supply crisis, as a result of COVID 19, the war in Ukraine that has influenced the increase in the prices of agricultural inputs, which on average have increased from 100% to 300%, the Government by decision has divided additional budget for the category of subsidies.

Table 1 Budget expenditure by category for 2022

Categories	Approved budget /2022	Spent budget /2022	% Approved budget
Wages and salaries	3,045,778.00	2,458,723.80	80.73%
Goods and services	3,022,075.11	2,404,100.42	79.55%
Utilities	135,660.00	56,366.96	41.55%
Subsidies and grants	76,061,692.20	70,262,986.50	92.38%
Capital projects	2,536,744.00	2,075,193.43	81.81%
TOTAL	84,801,949.31	77,257,371.11	91.10%

Source: MAFRD

From the four strategic objectives mentioned above: Strategic objective 1 - Increasing the competitiveness of the agro-food sector and improving the efficiency and sustainability of farm production. The actions taken from this objective have absorbed the largest part of the budget.

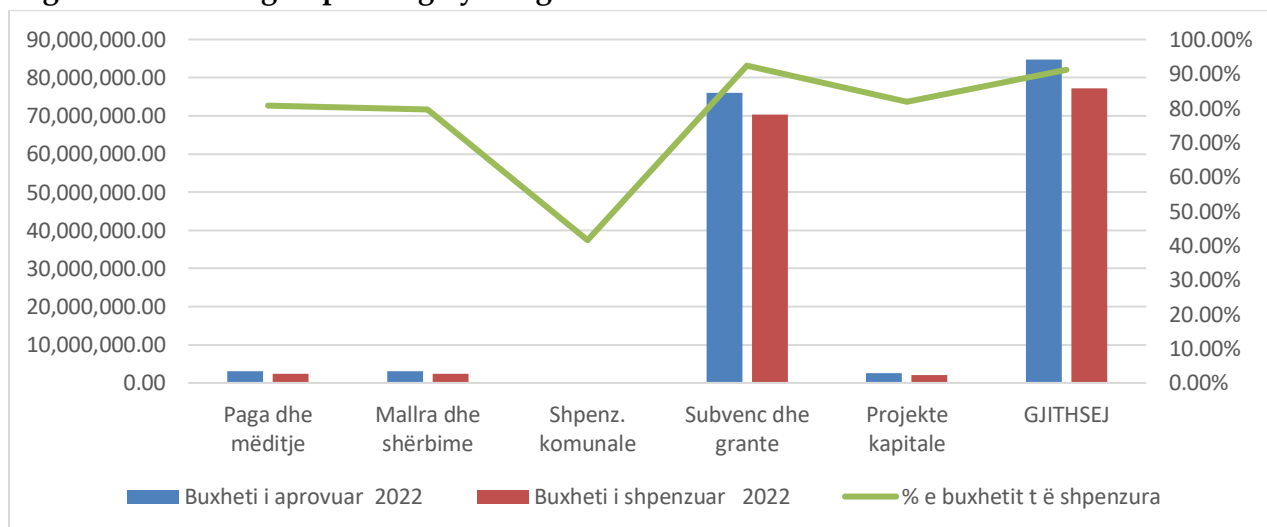
From the category of direct payments/subsidies and grants, the approved budget was €76,061,692.20, of which €70,262,986, or 92%, were spent, and 28,222 farmers benefited from subsidies and grants/rural development projects.

If we analyze the actions that have been carried out from the category of subsidies/direct payments, we will see that there is more than 100% realism, this is because the Government, by decision, has allocated +18,000,000 m/€, for agricultural crops/ha/production, per head of animal and milk quality.

As for the delays in the implementation of actions, there was a delay in the implementation of infrastructure projects or capital projects and services. Yes, none of the actions planned to be implemented through public procurement have been implemented.

It should also be noted that there has been a delay in the actions that were planned to be implemented through funding from donors. Donor planning often does not correspond to the year of planning and budget allocation that we do. For example, the projects financed by IPA 2021, which according to our projections should start implementation in 2022, have not yet started to be implemented.

Figure 2: 2022 Budget spending by categories in 2022



Source MAFRD

2. PROGRESS IN IMPLEMENTING THE OBJECTIVES OF STRATEGIC DOCUMENTS

2.1 PROGRESS AGAINST THE OBJECTIVE

2.1.1 Strategic objective 1: Increasing the competitiveness of the agri-food sector and improving the efficiency and sustainability of farm production

Specific objective 1.1: Support sustainable farm income and flexibility to increase food security

In order to increase the food safety and sustainability of the farm, the following activities have been undertaken:

Action 1.1.1 - Compensation of agricultural damages caused by natural disasters in 24 municipalities of Kosovo. The Commission has reviewed all applications (1,584 applications, from 24 municipalities, in the amount of: 5,674,729.56 €), based on the criteria defined in the manual, it has approved: 1,012 requests in the amount of: 3,446,907.38 €, of which 82% have been compensated or €2,826,464.05.

Action 1.1.2 - Subsidizing the agricultural insurance scheme (crops and animals). A total of 9 farmers have benefited, in the amount of: €1,775.01. The premium subsidy was made for agricultural crops: raspberries, apples, plums, grapes, cherries, peppers, walnuts, beans, corn, cherries, cherries and pears. Although this process was preceded by a sensitizing/informational campaign by DTAS in cooperation with IFC, in all regions of Kosovo, there is still a small number of farmers interested in applying for this measure. Initial assessments within the Ministry show that the small interest in purchasing insurance policies is because there is also a parallel scheme for covering damages from natural disasters, which has fewer administrative procedures to compensate for and is therefore more attractive for the farmers.

Action 1.1.3 - Subsidizing farmers for agricultural crops per area/unit and amount of production per ha. In total, for all these categories, a total of 42,508 farmers/beneficiaries have benefited. For cereals, there are a total of 27,636 beneficiary farmers, respectively 88,660.57 ha, and an additional 60,866,295 kg of cereals, produced according to the quota, were subsidized.

4 farmers, sunflower producers who cultivated a total of 45.5 ha have benefited from the subsidy for sunflower production.

Grape production is subsidized per ha and per liter of wine produced. There is a total of 2,711 beneficiary farmers, namely 2,723.45 ha of vineyards and 7,702,215.45 l of wine produced.

A total of 4,293 farmers, or 5,012.62 ha, have benefited from the tree production subsidy. For raspberry production, 376 farmers benefited, respectively 1,150,071.22 kg of raspberry produced were subsidized. In the production of trees, 7,416 productive farmers have benefited, respectively 7,012.54 ha of trees. The production of planting material was also subsidized, 18 beneficiary farmers or 592,448 ha of planting material benefited from this category. Subsidy of medicinal aromatic plants was made per ha, from which 54 beneficiary farmers, or 38.89 ha, benefited.

Action 1.1.4 - Subsidizing livestock farms per head of animals, 10,473 farmers were supported, in the amount of: €12,689,808.94. For the subsidy per head of animal, 5,590 farmers benefited, respectively 52,538 dairy cows, sheep 1,114 beneficiary farmers, respectively 128,194.00, goats 249 beneficiaries/13,543 goats. bees 3,015 beneficiaries/ 190,204 beehives. Sows 116 beneficiaries, respectively 895 heads, chickens 72 beneficiaries, respectively 868,909 chicken heads. Aquaculture or fish production 5 beneficiaries, respectively 316,367.18 kg, heads of calves 304 beneficiaries, respectively 4,565 heads of calves and subsidy for slaughter 8 beneficiaries or 337 heads for slaughter.

Action 1.1.5 - Strengthening advisory services and incorporating innovation as an essential part of knowledge transfer

This action has not been carried out through the planned project that should be contracted. The reference topics for projects have been prepared and submitted on time, however the procurement procedures have been prolonged since there were complaints in the PRO and after the decision by the PRO, the contract is now in the signing phase to be completed in 2023.

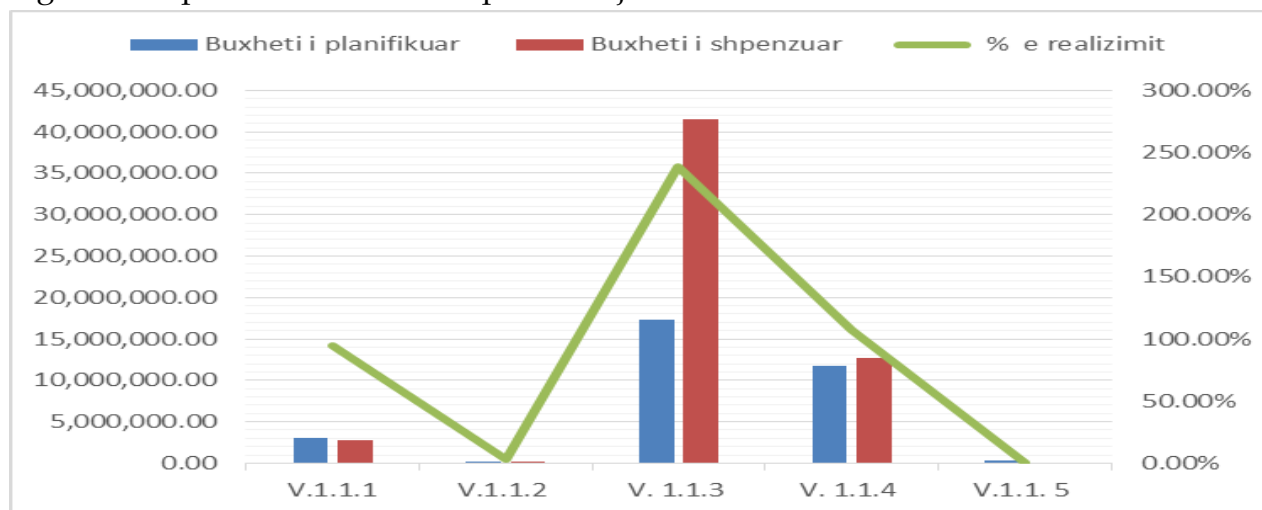
However, the DTAS even without projects, has developed activities and given advice to farmers through KIKs, where during 2022 a total of 5683 farmers were supported with technical advice in the office and 1813 farmers with direct advice, during farm visits (these data are from the reports sent by the municipal councilors of the QIK).

Table 2. Implementation of specific objective 1.1

Actions	Planned budget	Spent budget	% of the realization
V.1.1.1	3,000,000.00	2,826,464.05	94.22%
V.1.1.2	50,000.00	1,775.01	3.55 %
V. 1.1.3	17,342,780.00	41,534,771.96	100%+139 %
V. 1.1.4	11,807,220.00	12,689,808.94	100+7%
V.1.1. 5	340,000.00	150,000.00	44,12%

According to the description above, and the presentation of the budget in tab.1 for activity 1.1.3, there is an increase in the budget +139% and +7% for Activity 1.1.4. The reason for the increase in the budget for these activities is related to the food safety crisis as a result of COVID-19 and the war in Ukraine.

Figure 3. Implementation of the specific objective 1.1



Specific objective 1.2: Increasing competitiveness and improving orientation to market demands by focusing on research, innovation, technology and digitalization

Action 1.2.1 - Investments in the improvement of physical infrastructure in the agricultural sector, through: Measure 1: Investments in the physical assets of agricultural farms. From this measure, 369 beneficiaries were financed with a total value of €19,447,485.74.

94 projects were financed in the tree sector, 134 were financed in the vegetable sector, 33 projects were financed for warehouses for storage and collection, 16 projects were financed in the grape/vineyard sector and 92 projects in the livestock sector.

Action 1.2.2 - Investments in the improvement of physical infrastructure in the agro-processing sector, through Measure 3: Investments in physical assets for the processing and marketing of agricultural products. From this Measure, 6 beneficiaries/projects were financed, in the amount of €998,418.40, in these sectors: milk processor (1), meat processor (2), fruit processor - vegetable, 2 and collection point-warehouse (1).

Action 1.2.3 - Preparation of feasibility studies and design of technical designs for rehabilitation and modernization. This action was not carried out in the absence of financial means. MAFRD has requested a special budget for the implementation of this project (action), but the request for the allocation of funds through MTEF has not been approved.

Action 1.2.4 - Capital investment for rehabilitation, modernization and expansion of irrigation and drainage systems.

This action is considered 50% completed, since in 2022 eight cooperation agreements were signed for the construction, rehabilitation and expansion of irrigation systems in eight municipalities of the Republic of Kosovo (Mitrovicë, Vushtrri, Kamenica, Shtime, Klinë, Istog, Deqan and Junic).

During the year 2023, these irrigation projects will be implemented, through the contracting companies with which the Ministry has signed contracts, and soon the start - the realization of these eight projects is expected. In the year 2020-2022, the project was completed: Rehabilitation and modernization of the irrigation system in KRU Radoniqi-Dukagjini (5500/ha are considered to have been rehabilitated, but about 300/ha have been equipped with new surfaces).

Action 1.2.7 - Milk quality subsidy scheme, 1,138 beneficiaries were subsidized, in the amount of: 1,492,060.53.

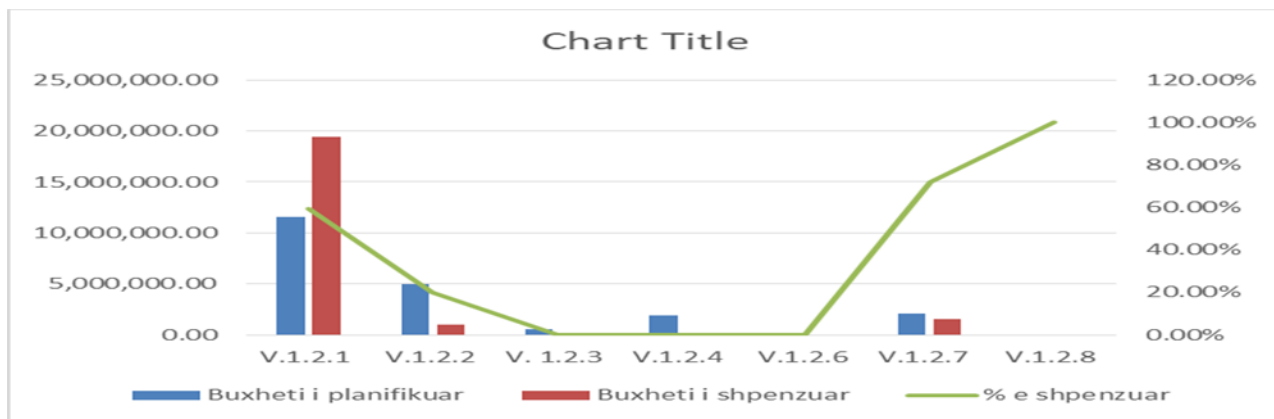
Action 1.2.8 - LAW NO. 08/L-087 ON THE AMENDMENT AND SUPPLEMENT OF LAW No. 04/L-040 ON LAND REGULATION, during the year 2022, the Concept Document for Land Regulation was drafted and approved by the Government, while the drafting of the Law on Land Regulation is expected to be drafted in 2024.

Table 3. Implementation of the specific objective 1.2:

Action	Planned budget	Spent budget	% spent
V.1.2.1	11,595,324.00	19,447,485.74	100%+59.6%
V.1.2.2	5,000,000.00	998,418.40	19.9%
V. 1.2.3	500,000.00	0	0%
V.1.2.4	1,920,000.00	0	0%
V.1.2.6	0.00	00	0%
V.1.2.7	2,050,000.00	1,492,060.53	72%
V.1.2.8	00	00	100%

Action 1.2.1/Measure 1. - Investments in the improvement of physical infrastructure in the agricultural sector. It is one of the main investment measures in the primary production sector (fruits, vegetables (including potatoes) and grapes, livestock (production of milk, meat, eggs). Through this action, it is also invested in increasing quality and safety in order to fulfill relevant national and EU standards, modern mechanization and digitization of the farm, investments in technology for storage, including capacities for cooling, sorting and packaging, as well as in renewable energy. The budget for this action has been increased by + 59.60, as a result of the reallocation of the budget from other measures which could not absorb the allocated budget.

Figure 4. Implementation of the specific objective 1.2:



Source: MAFRD

Specific objective 1.3: - Improving the position of farmers in the value chain

Action 1.3.1 - Law on the Organization of the Common Market of Agricultural Products. The Law on the Organization of the Market of Agricultural Products was completed in December 2022, and was approved by the Government on 22.02.2023.

The producer groups established by this law will help farmers face market challenges together and strengthen their bargaining power in relation to production and marketing, including local markets, therefore this measure affects the improvement of the position of farmers in the value chain.

2.1.2 Strategic Objective 2: Sustainable management of natural resources

Specific objective 2.1: - Support in climate change mitigation and adaptation, as well as renewable energy

Action 2.1.1 - Investments in the installation of solar panels for the production of renewable energy in agricultural farms and the agro-processing industry from the budget M 1 and M3.

From the budget of Measure 1 "Investments in the physical assets of agricultural economies", 5% or 972,374 euros, have been invested in the production of renewable energy, from which 160 farmers have benefited.

From the budget of Measure 3: - "Investments in the agro-processing industry", 5% or 50,000 euros, have been invested in the production of renewable energy, from which 160 farmers and 6 agro-processors have benefited. The installed capacities of the renewable/solar energy system are (697.20 kw).

Action 2.1.3 - Afforestation of bare surfaces, in 2022, 111.04 ha were afforested, with a budget of €142,226.77.

Action 2.1.4 - Drafting of management plans.

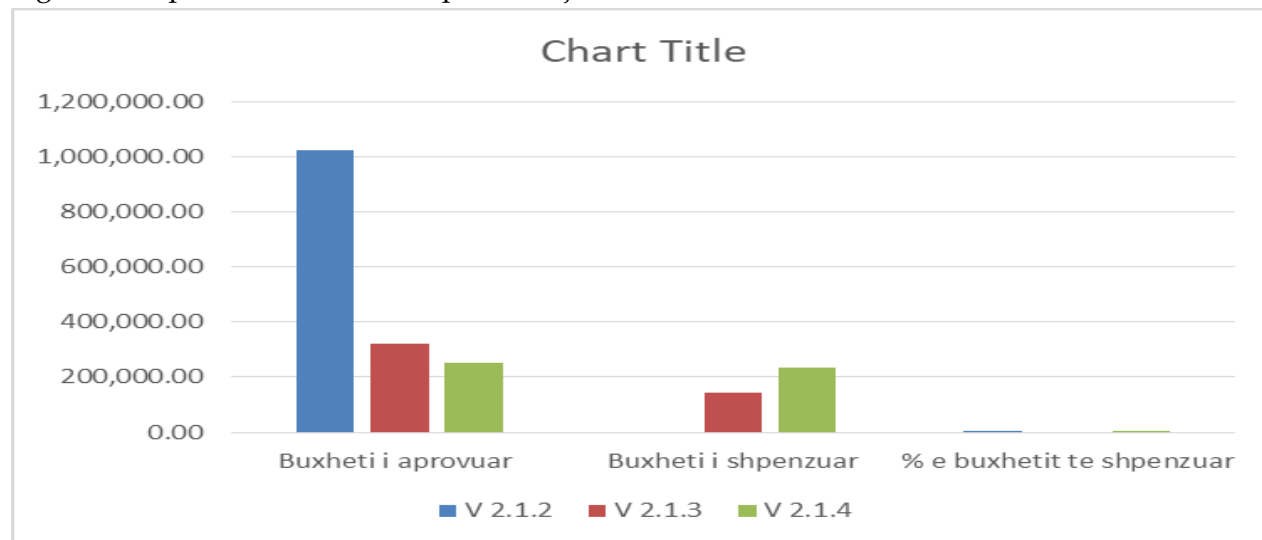
In 2022, Long-Term Forest Management Plans have been drawn up for the Management Units that include a total of 36,841.15 hectares, in the amount of €232,749.94.

Table 4. Implementation of the specific objective 2.1

Action	Approved budget	Spent budget	% spent budget
V 2.1.2	1,022,295.20	1,022,295.20	100%
V 2.1.3	320,000	142,226.77	44,44%
V 2.1.4	250,000	232,739.94	93%

From the description of the actions and the cross-requirement approach, to prioritize projects that have an impact on climate change, renewable energy systems with a capacity of 697.20 kw have been installed.

Figure 5. Implementation of the specific objective 2.1



Specific objective 2.2: - Support in promoting sustainable and efficient land, water and air management

Action 2.2.3 - Prioritization of grants for farmers with investments in manure depots for organic manure management.

From the budget of measure 1, "Investments in the physical assets of agricultural households", 10% or 1,022,295.20 euros, are dedicated to the construction of warehouses for the management of organic manure. From this measure, 120 farms have benefited for the construction of warehouses for organic manure management:

- Depot for manure management in cow stalls for milk production;
- Warehouse for manure management for stables for calves and
- Warehouse for manure management in pig stalls.

Specific objective 2.3: - Support for the protection of biodiversity, enhanced ecosystem services and conservation of habitats and landscapes

There are no actions planned for 2022.

2.1.3 - Strategic Objective 3: Support for businesses in rural areas, increasing employment and improving social infrastructure

Specific objective 3.1: - Promotion of employment, growth, social inclusion and local development in rural areas, including the bio-economy and sustainable development of forestry

Action 3.1.1 - Grants for the diversification of local food units and the short supply chain and for non-agricultural rural businesses, a total of 96 projects in the field of businesses in rural areas have been financed. The budget for this action is €2,999,644.01.

Action 3.1.2 - Support of local rural development initiatives through the support of LAG. For the preparation of Local Development Strategies.

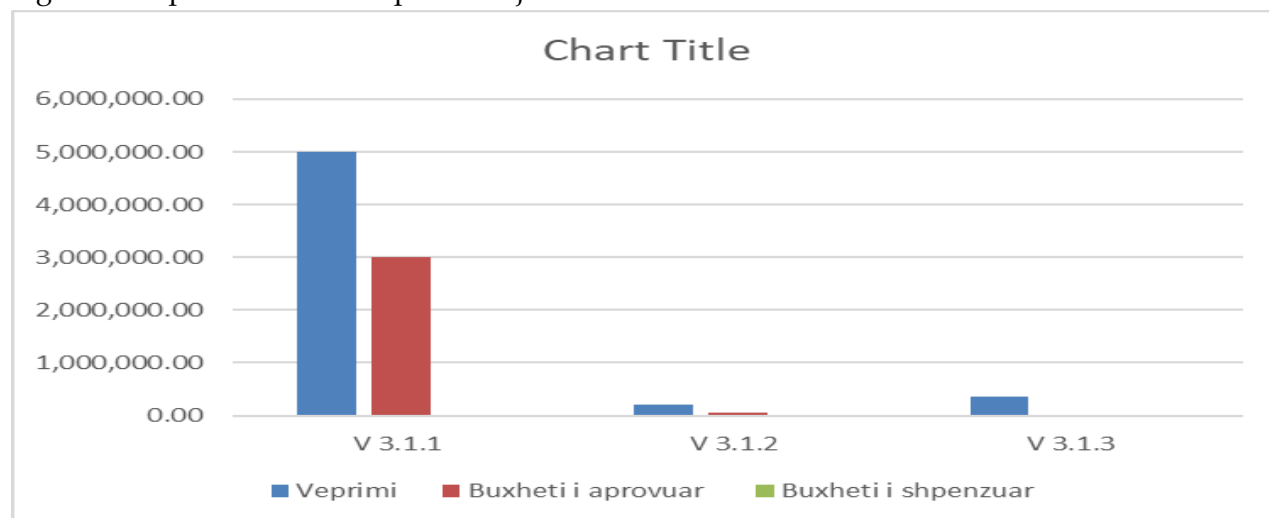
Measure 5, "Preparation and implementation of Local Development Strategies" (LDS), 200,000 euros have been invested, and 6 LAGs have benefited.

Table 5. Implementation of specific objective 3.1

Actions	Spent budget	Spent budget	% spent budget
V 3.1.1	5,000,000.00	2,999,644.01	59.99%
V 3.1.2	200,000.00	59,695.00	29,85%
V 3.1.3	350,000	0.00	0.00

Source: MAFRD

Figure 6. Implementation of specific objective 3.1



Specific objective 3.2: Improve societal requirements for food and health, including safe, nutritious and sustainable food, reduction of food waste, and animal welfare

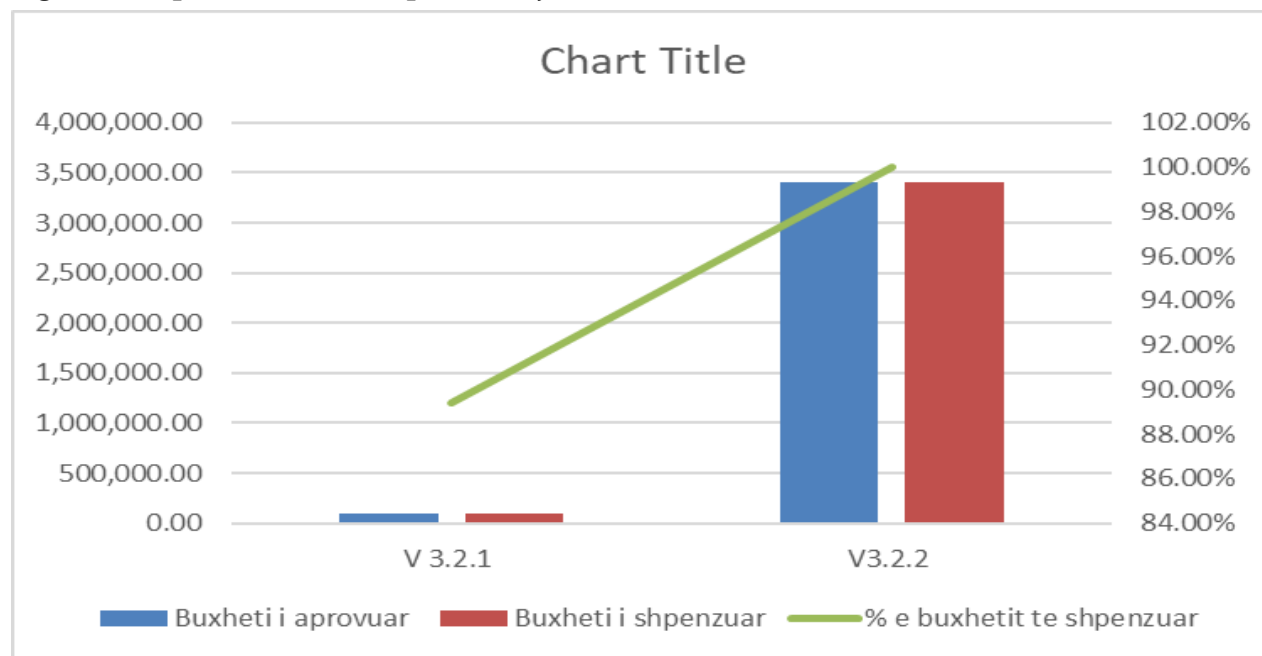
Action 3.2.1 - Organic farming - subsidy/compensation for farmers who apply the rules of organic farming, 10 beneficiaries have been supported, with an area of 197.64 ha, in the amount of €89,469.

Action 3.2.2 - Prioritize grants to farmers with investments in animal welfare standards, thus stimulating the reduction of the use of veterinary antimicrobials. 25% of the budget of Measure 1, "Investments in physical assets of agricultural households" (3,409,273.92), is dedicated to improving animal welfare, 59 farmers have invested in improving animal welfare.

Table 5. Implementation of specific objective 3.2

Actions	Approved budget	Spent budget	% Spent budget
V 3.2.1	100,000.00	89,469.00	89.47%
V3.2.2	3,409,273.92	3,409,273.92	100%

Figure 7. Implementation of specific objective 3.2



Specific objective 3.4: Promotion of gender equality, including women's participation in agriculture and social inclusion of communities and vulnerable groups

Female farmers and young farmers are promoted and encouraged by giving additional points in competition with other farmers, also for young farmers you are given 5% more public support. From the implementation of the Rural Development Program 2022, 138 women, or 31%, have benefited from the following measures:

Measure 1: Investments in physical assets of agricultural households 97 beneficiaries.

Measure 3: Investments in physical assets concerning processing and marketing of agricultural products 2 beneficiaries.

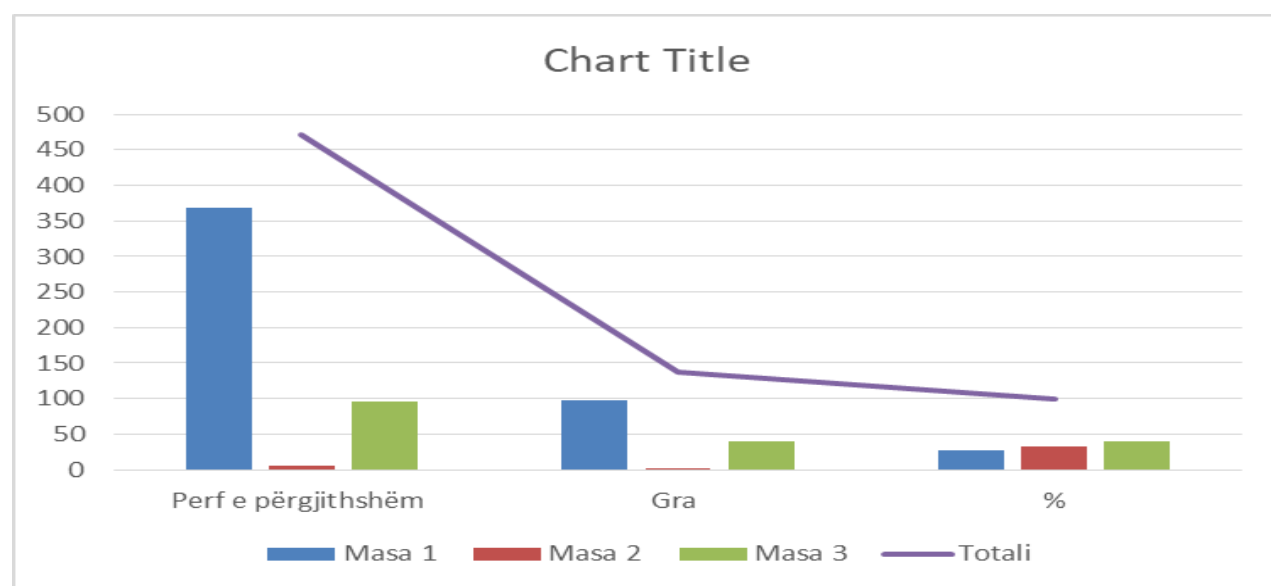
Measure 7: Diversification and development of businesses in rural areas 39 beneficiaries.

Table 6. Implementation of specific objective 3.4

Measures	General beneficiaries	Number of beneficiaries' women of the measures	%
Measure 1	369	97	26.28
Measure2	6	2	33.33
Measure 3	96	39	40.62
Total	471	138	100

Source MAFRD

Figure 8. Implementation of specific objective 3.4



2.1.4 Strategic Objective 4: Comprehensive institutional and sectoral reforms to create efficient public services

Specific objective 4.1 - Achieving credibility for management and implementation of the budget for IPARD III program measures (Reorganization and full functionalization of ADA as an IPARD Agency)

Action 4.1.1 - Capacities building of the Managing Authority, of the technical assistance unit for access to the IPARD III budget (allowing MAFRD to cover costs from IPARD funds, such as program management, monitoring, evaluation and fair implementation).

Action 4.1.2 - Technical assistance and training for further harmonization with the regulations and technical provisions of chapters 11, 12 and 13 of the EU

During 2022, no specific training has been identified for this purpose, apart from on-the-job learning, however this action is extensive and there are ongoing several EU projects in the following years that will address this action which is very important for the processes that await Kosovo in the following years.

Action 4.1.5 - Presentation of good agricultural and environmental practices, this action is related to action 1.1.5 that was not implemented due to procurement failure. The best agricultural practices should be drawn up and advisory services presented to farmers, a guide should be drawn up for PPP which is then distributed to farmers and at the same time trainings are organized for this purpose.

Action 4.1.7 - Preparation of GIS maps of land/land inventory/soil. This action has failed due to procurement failure

Action 4.1.9 - Empowerment of the Advisory Services Department. In 2022, there is an advanced progress since during this year the Strategic Plan of advisory services for Agriculture and Rural Development 2023-2027, supported by the German Caritas, was prepared, which foresees the advancement of the advisory service system and the creation of 7 regional offices for advisory services. However, the small number of Department staff still remains a challenge.

Action 4.1.10 - Strengthening the control of the MAFRD for the licenses issued for wild BMAs and PPJD. This action has been fully implemented, since according to the procedures and criteria for the use and collection of non-wood mountain products (PPJD), and aromatic plants (BMA), the Department of Forestry has licensed seven entities for the collection of these products in forests.

Action 4.1.11 - Study on natural and anthropic tourism potential and creation of a registration system for rural tourism operators

A concept document for rural tourism has been prepared, which was approved by the Government of Kosovo on 28.12.2022 No. 23/116.

Specific objective 4.2: Digitization of the sector and transfer of knowledge and innovation

Action 4.2.1 - Digitization of MAFRD, and open data policy.

Procurement procedures have been developed in time regarding the collection of data of the Farm Accounting Network - FADN, but the contract has not been signed yet. Regarding the maintenance of the Integrated Agricultural Information System, the procurement procedures for the engagement of a programmer for system maintenance have failed because no candidates have applied, the request has been repeated and is in the process. The continuation of the re-repetition of the requests

until their full realization, because the data are necessary not only for the digitization process but also for the development of analyzes for the drafting of policies.

Action 4.2.2 - Improvement of the IT system for Policy Management. These projects have failed to be implemented due to procurement procedures. In this year, several initiatives have been made which will be finalized in 2023, with the support of GIZ.

Action 4.2.5 - Transfer of knowledge on Global GAP (for farmers), and HACCP (for KVFA). In the absence of budgetary/technical support from donors. This activity was not carried out in 2022, this activity is also related to action 1.1.5 which was not carried out due to procurement failure. However, this is an action that must be continued, in which donors can also contribute. More work should be done on mobilizing donors and various instruments for this purpose.

Action 4.2.6 - The capacities building of the Agricultural Institute of Kosovo (AIK), for the phytosanitary control of food business operators that can fulfill EU standards for food safety and improve their competitiveness.

This action was not carried out due to the failure of public procurement in time. Limited progress can be described as AIK continues to prepare laboratory reports for VFA and other stakeholders based on standards.

Action 4.2.8 - Transfer of knowledge from other EU countries, for the implementation of local initiatives / LAG.

A request has been made to TAIEX to facilitate a visit to an EU country in order to see best practices, but we have not received a response from TAIEX.

Action 4.2.9 - Establishing the national rural network. After the visit to Romania, financed by TAIEX/respectively in the Managing Authority and the National Rural Network, after the return a plan or "road map" was prepared to establish the Kosovo Rural Network.

2.2.1 - Evaluation of key achievements, using indicators and graphs

2.2.2 - Success story

Implementation of all subsidy payments

2.2.3 - Assessment of challenges, shortcomings and obstacles

Not all the actions/needs identified for achieving the objectives have been accepted to be financed by the MFPT. Although the Strategy has been approved by the Government, the MFPT has not agreed to finance any action that has costs outside of the 2022-24 MTA, therefore it is required to increase the attention in securing the budget for the implementation of actions that lead to the achievement of these objectives.

All actions that are planned to be implemented through procurement, capital and goods and services projects have not been implemented. Many of the actions planned to be supported by donors have not been realized this year, due to delays in starting their implementation.

2.2.4 - Budgetary resources

- Budget of the Republic of Kosovo;
- the EU;
- Other bilateral donors and
- Private sector.

2.2.5 - Conclusions and recommendations for the next steps

Expansion, rehabilitation and modernization of irrigation systems

Today, intensive agricultural production cannot be imagined without the irrigation system. The irrigation system reduces the negative effects of lack of rainfall and directly affects the increase in production and the provision of food for the population. Modern irrigation systems, in addition to enabling the growth of agricultural and livestock production, also affect the management and more efficient use of water. Therefore, attention should be paid to the implementation of irrigation projects, especially since there is a separate budget for this action, according to the MTEF 2022-24.

Compensation for damages from natural disasters

A budget of 3,000,000 euros is currently planned for compensation, which covers a significant part of the estimated annual damages of 1,000,000 to 3,000,000 euros. Sectoral analysis experts have recommended that funding for agricultural insurance be gradually increased, leading to a reduction in direct compensation for damages from natural disasters. Experts recommend the implementation of such a system, since farmers will have greater security to make investments in their farms.

Application of conditional measures (Cross-Cutting Measure)

In order to increase the multiple impact of subsidies, which currently constitute the majority of public support for farmers, experts and also the EU in the annual progress report for the agricultural sector, have recommended the implementation of subsidies with conditional measures.

- Conditional with the introduction of livestock breeds with high productivity, and planting varieties with higher production potential in order to meet quality standards and guarantee quality assurance;
- Conditionality based on the number of hectares (of utilized agricultural area/UAA), for the respect of good agricultural practices, including improvements in buildings and farm infrastructure;

- Conditionality with payments for the production of public goods, including the adoption of practices for:
 - Controlling the use of chemical fertilizers and chemical means for pest and disease control;
 - Conservation and creation of habitats;
 - To protect the land from soil erosion, all defined in an approved environmental management plan.

Strengthening advisory services for farmers and rural businesses

It is important to strengthen the Farm Advisory Services in order to maximize the public support provided through guarantees and subsidies to farmers through the use of modern technologies and innovation. The budget for grants and subsidies versus the budget for advisory services has a large proportional difference, knowing that advisory services have a direct impact on:

- Increasing the competitiveness of the agri-food sector, to harmonize it progressively with EU standards and to improve the efficiency and sustainability of farm production, which will ensure a better response to society's demands for food safe, nutritious and sustainable;
- Facilitate business development, growth and employment in rural areas, improve the position of farmers in the organization of producers and in the value chain and attract new farmers;
- Contribute to mitigating climate change and promote sustainable management of natural resources.

3. RISKS AND STEPS TO ADDRESS THEM

The risks encountered during the monitoring of the implementation of this document are related to:

- Institutional capacity;
- Financial capacity;
- The partnership and engagement of other institutions as well as other external factors that affect the level of implementation of the strategic document.

Institutional capacity

A large number of actions have not been implemented due to public procurement. Due to limited capacities, the procurement procedures could not be carried out within the specified time.

Financial capacity

The strategy was approved by the Government of Kosovo, however, the MFPT did not allocate a budget for the implementation of new actions that would affect the achievement of the objectives, the actions were carried out only with the existing budget. New and innovative actions have yet to seek support from donors.

Partnership and engagement of other institutions

Lack of capacity in mobilizing other partners (donors), and different investors to finance actions that are not financed by the Kosovo budget.

The administrative units of the MAFRD and the political staff must be mobilized so that all requests and actions are related to the RBHR, so that this document is applicable.

An integral part of the report is also the reporting Matrix for the implementation of the action plan of the ARDS, 2022-2028 (Appendix 1).

ANNEX 1:

Reporting matrix for the implementation of the ARDS Action Plan for 2022 – 2028

Objectives/Actions	Deadline	Planned and spent budget (€) 2022	Financial resources	Responsibilities for reporting	Product/Output	Reference of the documents	Implementation progress
Strategical objective 1: Increasing the competitiveness of the agri-food sector and improving the efficiency and sustainability of farm production							
Specific objective 1.1: Support sustainable farm income and elasticity to increase food security							
1.1.1 - Compensation for damages caused by natural disasters.	2022 TM4	3,000,000/ 2,826,464.05	Budget KP: 47600- DNB-SB	DAPT- Damage assessment commission.	The Commission has approved: 1,012 requests from 24 municipalities, in the amount of: €3,446,907.38, of which 82% have been compensated.	MTEF <i>(Based on the Decision of the Government of Kosovo. (No. 30/112, dated 13.12.2022).</i>	Full progress: (94.5%)
1.1.2 - Insurance schemes in agriculture (agricultural crops and animals). From the subsidy budget	Annually, TM4	50,000 /1,775.01	Budget KP:40100 DPB-SB	DAPT, ADA	9 farmers/natural disaster insurance policies were supported. This process was preceded by a sensitization/information campaign.	MTEF PSO	Limited progress: There is still no desired demand for insurance in agriculture. (Only 3.5% of the

							budget used).
1.1.3 - Subsidy/farm income support for agricultural crops per area/unit and quantity of production.	Annual, TM4	17,342,780/ 41,534,771.96	Budget KP:40100 -SB	ADA	42,508 beneficiaries per area/ha and kg from plant production: 27,636 beneficiaries/88,660.57 ha+60,866,295 kg of cereals. 4 beneficiaries/45.5 ha of sunflowers 2,711 beneficiaries/2,723.45 ha of vineyards + 7,702,215.45 l of wine. 4,293 beneficiaries/5,012.62 ha of trees. 376 beneficiaries/1,150,071.22 kg of raspberries. 7,416 beneficiaries/7,012.54 ha of trees. 18 beneficiaries/592,448 ha of planting material. 54 beneficiaries/38.89 ha of aromatic medicinal plants (AMP).	MTEF PSO PRE	Complete progress: There was a planned overrun budget, as a result of the increase in the number of applicants/ areas. Budget overrun: +139%, with the revision of the budget, the funds were reallocated.
1.1.4 - Subsidy/ income support of livestock farms (except the milk quality scheme).	Annual, Q4	11,807,220/ 12,689,808.94	Budget KP 40100-SB	ADA	10,473 beneficiaries per head/l of animals from livestock production: 5,590 beneficiaries/ 52,538 cows + 23,736,643 l of milk 3,015 beneficiaries/ 190,204	MTEF PSO	Complete progress: There was a planned overrun budget as a result of the

					<p><i>beehives. 1,114 beneficiaries/ 128,194.00 head of sheep.</i></p> <p><i>249 beneficiaries/13,543 goats.</i></p> <p><i>116 beneficiaries/895 head of sows 72 beneficiaries/868,909 chickens. 5 beneficiaries/316,367.18 kg of aquaculture - fish. 304 beneficiaries /4,565 heads of calves 8 beneficiaries/337 heads for slaughter.</i></p>		<p>increase in the number of applicants/h eads. Budget overrun: +7% with the revision of the budget, the reallocation of funds was made.</p>
1.1.5 - Strengthening advisory services and inclusion of innovation as part essential of the transfer of knowledge.	Annual TM3	340,000/0.00	Budget KP:40400 -MSH	DTAS	<p>Even though the counseling project has failed, DTAS has provided counseling services to: 5,683 farmers with technical advice through QIKK, 10 messages per farmer have been published, the publication has been made through the website of the MAFRD. As for the budget planned in 2022, for the</p>		<p>No progress: The tendering procedures for the contracting of a responsible consulting company have failed.</p>

					advisory project, it has not been used due to delays in procurement/tendering procedures.		
Specific objective 1.2: Increase competitiveness and improve orientation to market demands by focusing on research, innovation, technology and digitization							
1.2.1 - Investment grants: M 1: Investments in physical assets of agricultural farms.	Annual	11,595,324 19,447,485.74	Budget KP: 40700-SB 40700/DPZH R:	ADA	369 projects/beneficiaries from agricultural and livestock production are supported: <i>94/S. FRUIT</i> <i>134/S. vegetable</i> <i>33/Depo</i> <i>16/S. grape</i> <i>92/S. Livestock</i>	MTEF PSO PRE	Full progress: Overrunning budget: + 67.72%, with the revision of the budget, the reallocation of funds was made.
1.2.2 - Investment grants: M 3: Investments in physical assets related to the processing and marketing of agricultural and fishing products M3.	Annual	5,000,000/ 998,418.40	Budget KP: 40700: 40700 -SB	ADA	6 projects/beneficiaries from the agro-processing sector are supported 1/Milk, 2/Meat, 2/Trees/Vegetables, 1/Collection Point-Warehouse	MTEF PSO PRE	Incomplete progress: The number of responsible applicants was smaller in relation to the allocated budget. Only 19.90% of the budget was used.
1.2.3 - Preparation of feasibility studies and design of technical designs for	Annual	500,000	Kosovo budget	DATP	This action was not carried out in the absence of financial	MTEF PSO	No progress: 0 %.

rehabilitation, modernization and expansion of irrigation and drainage systems.			KP:40100-Capital		means. MAFRD has requested a special budget for the implementation of this project (action), but the request for the allocation of funds through MTEF has not been approved.	PRE	
1.2.4 - Capital investments for rehabilitation, modernization and expansion of irrigation and drainage systems.	Annual	1,920,000	Kosovo Budget KP:40100-Capital	DATP	In 2022, 8 Cooperation Agreements were signed for the construction, rehabilitation and expansion of irrigation systems in 8 municipalities of the Republic of Kosovo (Mitrovica, Vushtrri, Kamenica, Shtime, Klinë, Istog, Deçan and Junik).	MTEF PSO PRE	Incomplete progress: In the year 2020-2022, the Project was completed: Rehabilitation and modernization of the irrigation system in the Radoniqi-Dukagjini RU (5,500/ha were rehabilitated, 300/ha districts were functionalized for new areas).
1.2.6 - Creation of the scheme for subsidizing the interests of rural loans	Annual	0.00	N:500,000 Donors	Budget KP has not been identified	This activity is connected with support from donors.	MTEF	There is no progress in the absence of donations.

				donors			
1.2.7 - Milk quality scheme - subsidy for milk delivered to processing plants or collection centers, according to quality level (higher quality - higher level of subsidy).	Annual	2,050,000/ 1,492,060.53	Budget KP:40100-SB	ADA	Supported: 1,138 beneficiaries.	MTEF PSO	Full progress: 73% of the budget has been used.
1.2.8 - Land Regulation Law.	2022 Q4	0.00	Budget KP:40100- P&M	DAPT	Approval of: LAW NO. 08/L-087 AMENDING AND SUPPLEMENTING LAW No. 04/L-040 ON LAND REGULATION OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVO / No. 28 / 30 AUGUST 2022, PRISTINA.	PKZMSA PSO	Full progress: 100%
Specific objective 1. 3 - Improving the position of farmers in the value chain							
1.3.1 - Law on the Organization of the Common Market of Agricultural Products.	2022 Q4	0.00	Budget	DAPT	The drafting of the Law on the Organization of the Agricultural Products Market was completed in December 2022, and was approved by the Government on 22.02.2023.	PKZMSA PSO	Full progress: 100%

Strategic objective 2: Sustainable management of natural resources							
Specific objective 2.1: Support mitigation and adaptation to climate change, such as the use of renewable energy							
2.1.2 - Prioritization of grants for farmers with investments in renewable energy 5% from the M1 and M3 budget.	Annual 2022	5% of the total of e 20,445,904.14 (M1 +M3)+ 1,022,295	Budget KP:40700 -SB	ADA	160 farms and 6 agro-processing enterprises have installed renewable/solar energy systems (697.20 kW installed).	MTEF PSO	Full progress: 100%
2.1.3 - Afforestation of bare surfaces	Annual 2022	320,000/142,26.77	Budget KP 40300-Capital.	KFA	In 2022, a total of 111.04 hectares were afforested. (One lot of the tender has failed to be implemented due to procurement procedures).	MTEF PSO	Partial progress: 44.44% of the budget has been used.
2.1.4 - Drafting of management plans		250,000/232,739.94	Budget KP 40300-Kapit.	APK	36, 841, 15 ha	Annual Forest Management Plan for 2022.	Full progress: 93% of the budget has been used.
Specific objective 2.2: Promoting sustainable and efficient management of resources (land, water, air)							
2.2.3 - Prioritization of grants for farmers with investments in manure depots for organic manure management (Annual/part of the budget for M1).	Annual	Part of the budget of measures 1 and 3 1,200,000.	Budget KP: 40700-SB	MAFRD, ADA	120 beneficiaries have invested in warehouses for the management of organic manure, from measure 1.	MTEF PSO	Full progress: 100%
Strategic objective 3 - Development of businesses in rural areas and increase of employment and social infrastructure							

Specific objective 3.1: Promotion of employment, growth, social inclusion and local development in rural areas, including the bio-economy							
3.1.1 - Grants for the diversification of local food units and short supply chains and for rural non-agricultural businesses.	Annual	5,000.00.00/ 2,999,644.01	Budget KP: 40700-SB	ADA	96 rural businesses were supported: <i>3/Collection and processing of non-wood forest products including medicinal and aromatic plants. 32/Development of rural and agro-tourism. 10/Processing of agricultural products in the family economy. 35/Honey production. 13/Non-agricultural activities in rural areas. 1/Raising of village poultry and 2/Fish cultivation.</i>	MTEF PSO PRE	Incomplete progress: The number of responsible applicants was smaller in relation to the allocated budget. 59.9% of the budget was used.
3.1.2 - Supporting local rural development initiatives through GLV support.	Annual	200,000/ 59,695.00	Budget KP: 40700-SB	MA, ADA	6 LAGs have benefited, for the preparation of local development strategies - LEADER approach.	MTEF PSO PRE	Incomplete progress: Half of the LAGs that did not meet the criteria remained without benefit. 29.8% of the budget was used.
3.1.3 - The project for rural public infrastructure, vineyard road in the Municipality of Rahovec	Annual	350,000	Budget KP: 45800-KP	DAPT - DVW	Activity planned in 2023.	MTEF PSO	No progress

Specific objective 3.2: Improving societal requirements for food and health, including safe, nutritious and sustainable food, reducing food waste, and animal welfare							
3.2.1 - Organic farming – subsidizing/compensating farmers who follow the rules of organic farming, as their production is usually lower due to the prohibition of chemical fertilizers and pesticides.	Annual	100,000/ 89,469	Budget KP: 40100-SB	MAFRD, ADA	Supported: 10 beneficiaries/projects, with an area of 197.64 ha	MTEF PSO	Full progress: 89.40% of the budget has been used.
3.2.2 - Prioritizing grants to farmers with investments in animal welfare standards, thus stimulating the reduction of veterinary antimicrobial use (Annual part of the budget for M1).	Annual	25% e budget from the measure 1. 3,409,273.92	KP:40700-SB	ADA	59 livestock farms have invested in animal welfare.	MTEF PSO	Full progress: 100%
Strategic objective 4 - Comprehensive institutional and sectoral reforms for the creation of more efficient public services							
Specific objective 4.1 Achieving reliability for budget management and implementation for IPARD III program measures							
4.1.1 - Capacity building of the Managing Authority, of the technical assistance unit for access to the IPARD III budget (allowing the	N/A	N: 24,000 Nacional	Budget KP:40700- MSH EU, IPA III TAIEX	AM Donors	Three officials of the Ministry of Foreign Affairs on a study visit to Romania, to the Managing Authority of	PSO PRE	Limited progress

MAFRD to cover costs from IPARD funds, such as program management, monitoring and evaluation and implementation towards the IPARD budget management trust III)					Romania and to the Rural Network of Romania.		
4.1.2 - Technical assistance and training for further harmonization with the regulations and technical provisions of chapters 11, 12 and 13 of the EU	N/A	N: 100,000 Donors	Budget KP:40700- MSH EU, IPA III TAIEX	Departments of the Ministry, ADA and KVFA	This activity is connected with support from donors.	MSA PSO PRE	There is no progress in the absence of donations.
4.1.5 - Preparation of land GIS maps/land inventory/soil		460,000.00	Budget KP: 40500 EU, IPA III TAIEX		This action has failed due to procurement failure.		
4.1.9 - Strengthening of the Advisory Services Department.	2022 Q2	0.00	Budget KP: 40400 MSH EU, IPA III TAIEX	DTAS	The Strategic Plan of advisory services has been prepared for Agriculture and Rural Development 2023-2027, supported by the German Caritas), where the advancement of the advisory service system and the creation of 7 regional offices for advisory services are foreseen.	MTEF	Limited progress

4.1.10 - Strengthening the control of the MAFRD for the licenses issued for wild AMPs and PPJD.	2022 Q3	0.00	Budget KP:40600-PM EU, IPA III TAIEX	DPBT/DP	Realization of the annual Plan and fulfillment of licensing criteria.		Full progress: 100%
4.1.11 - Study on natural and anthropogenic tourism potential and creation of a registration system for rural tourism operators.	2022 Q3	0.00	Budget KP: 40700-MSH BEU, IPA III TAIEX	MAFRD/ Donors	A concept document for rural tourism has been prepared, which was approved by the Government of Kosovo on 28.12.2022 No. 23/116.		Partly progress
Specific objective 4.2: Digitization of the sector and transfer of knowledge and innovation							
4.2.1 - Digitization of MAFRD, and open data policy	Annual I	100,000/0.00	KP:47300- MSH	ADA and DAESB	These projects have not been implemented due to the failure of procurement procedures.		No progress
4.2.2 - Improvement of the IT system for Policy Management.	2022	135,000/0.00	Budget KP:47400-KP Donors	ADA	These projects have failed to be implemented due to procurement procedures. In this year, several initiatives have been made which will be finalized in 2023, with the support of GIZ.	MTEF PSO	Limited progress. In 2023, an advancement of the system of application and assessment of rural development projects is expected, with the

							support of donors: GIZ German
4.2.5 - Transfer of knowledge on Global GAP (for farmers), and HACCP (for KVFA).	2022 Q4	0.00	TAIEX	MAFRD /KVFA/ Donors	In the absence of budget support/ technical support from donors, this activity was not carried out in 2022.		No progress
4.2.6 - The capacities building of the Agricultural Institute of Kosovo, for the phytosanitary control of food business operators to be able to fulfill EU standards for food safety. and improve their competitiveness	Annual	200,000/0.00	AIK	AIK BE-IPA	These projects have failed to be implemented due to procurement procedures. Limited progress can be described through: Preparation of laboratory reports for AFVA and other stakeholders based on standards.		Limited progress
4.2.8 - Transfer of knowledge from other EU countries, for the implementation of local initiatives / LAG.	2022 K2	0.00	TAIEX	MAFRD-MA Donors / TAIEX	A request was made by TAIEX to enable a visit to an EU country, in order to see the best practices, but we have not received a response from TAIEX.	TAIEX	Limited progress: There has been a lack of support from donors in knowledge transfer.
4.2.9 - The establishment of the national rural network.	2022 Q4	N:100,000 Donors	TAIEX	DRDP/MA	A "road map" has been prepared for the establishment of the Rural Network.		Limited progress: After the visit to Romania financed by

							TAIEX/ respectively to the Managing Authority and the National Rural Network, after the return a plan or "road map" was prepared to establish the Kosovo Rural Network.
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